



Meeting Date: July 27, 2016

Project Title: Mission Park – MP Market Place

File: PLN2016-11737 / CEQ2016-01006

Location: 2041 Mission College Boulevard and 1900-2000 Wyatt Drive, a 6.59-acre project site on the southeast corner of Mission College Boulevard and Wyatt Drive; APNs: 104-38-005, -006; Property is zoned Light Industrial (ML)

Applicant/Owner: Koll/Intereal Bay Area

Request: Adoption of a Mitigated Negative Declaration and Approval of a Use Permit to allow the development of 24,000 square foot retail center and 175 room hotel

CEQA Determination: Mitigated Negative Declaration

Project Planner: Yen Han Chen, Associate Planner

EXECUTIVE SUMMARY:

The MP MarketPlace is a 6.58-acre portion of Mission Park. This office, research and development park is comprised of 19 office buildings totaling 650,000 square feet located on an approximately 46 acre campus. Portions of the office park have recently been renovated and the applicant is seeking to provide retail amenity space. In addition, the applicant is seeking to build an upscale limited-service hotel.

The project proposes to demolish three existing office buildings totaling 93,000 square feet on-site and construct a 24,000 square foot retail center and a 5-story, 175-room hotel on 6.59 acre project site. The project would provide 328 on-site surface parking spaces of which 196 spaces would be for the retail uses and 132 spaces would be for the hotel use. The retail center will include 5 buildings situated in a pedestrian friendly setting with outdoor dining amenities including covered patios. The hotel is proposed to be upscale limited-service with strong visual and pedestrian connection to the proposed restaurants and retail stores. The hotel amenities include meeting rooms, lounge area, and swimming pool, and the rooms will have a built in small kitchenette.

Zoning Administrator review and approval for a 25% reduction of the on-site parking regulations for the hotel use is a condition of approval. The architectural design and sign program approval will be referred to the Architectural Committee.

An associated Tentative Parcel Map was reviewed by the City's Subdivision Committee and determined to be complete on May 31, 2016. The existing two parcels, totaling 13.51 acres, will be reconfigured to create three parcels. The 6.59 acres project site includes a newly configured 4.2 acres retail parcel and a newly configured 2.4 acres hotel parcel. The remaining 6.9 acres would continue as an office, research and development parcel. All three parcels continue to maintain the General Plan designation of Low Intensity Office/R&D and Zoning of ML-Light Industrial. The consideration and action on the Tentative Parcel Map is a function of the City Council per SCCC 17.05.110(c) and is not part of the PC's consideration.

Project Data

	Existing	Proposed
General Plan Designation	Low Intensity Office/ R&D	Same
Zoning District	ML-Light Industrial	Same
Land Use	Office	Retail and Hotel
Lot Size	6.58-acre	Same
Building Square Footage (sf.)	92,293	24,000 sf (Retail) / 115,000 sf (175-room Hotel)
Parking	n/a	328 Spaces (196 Retail/ 132 Hotel)
Hours of Operation	n/a	24 hours

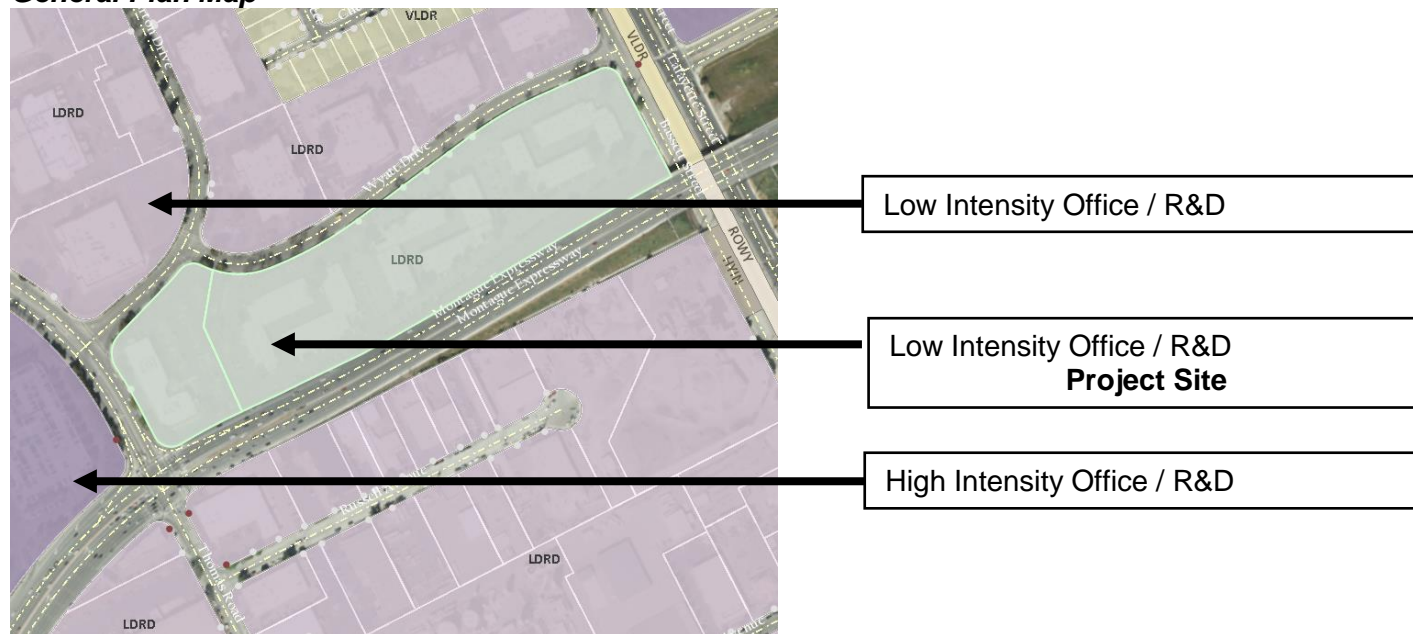
Site Location and Context

Surrounding Land Uses: The project site is located on the northeast corner of the intersection of Montague Expressway and Mission College Boulevard. The project site faces Wyatt Drive to the north. Adjacent to the project site is a mixture of office, light industrial and commercial uses. Nearby hotels are Santa Clara Marriott, Avatar Hotel, Biltmore Hotel and Suites, and Hyatt House

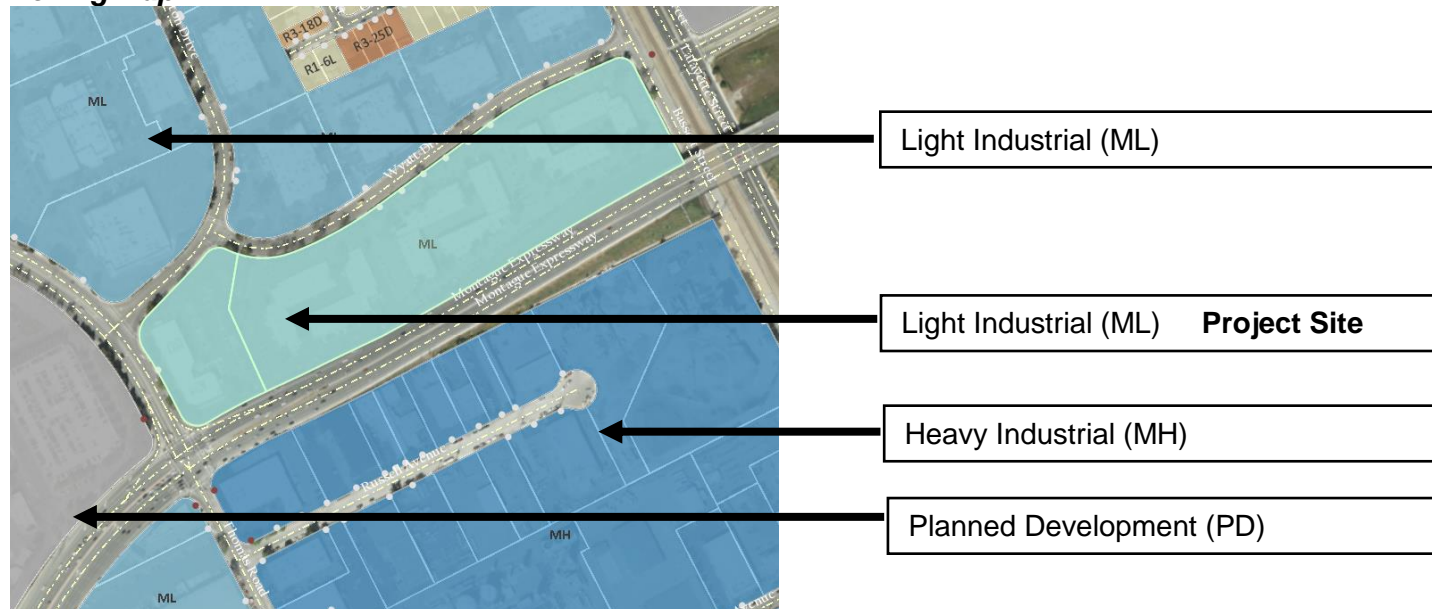
Background

Previous Permits: The project site was developed between 1981 and 1984 with one two-story office building and two one-story office buildings, totaling 92,293 square feet, with surface parking. Landscaping consists of trees, shrubs, and groundcover along the boundaries of the project site.

General Plan Map



Zoning Map



Project Analysis

Project Description:

The retail buildings are proposed to have a height of 16'-2 1/2" to the top of roof, 22'-9" to the top of roof screen with minimum setbacks of 15 feet from Wyatt Drive, Montague Expressway and Mission College Boulevard. The hotel is proposed to have generous setbacks from the property lines ranging from 41'-1/2" to 84'-4" with surface parking surrounding the building. The hotel building is proposed to have a height of 60'-0" to the top of roof.

There are 114 parking spaces on the hotel parcel and 214 parking spaces on the retail parcel of which 18 spaces are shared with the hotel. There are two primary driveways that access the retail center. The hotel shares a driveway with retail center and another driveway with the adjacent office/industrial parcel.

Environmental Determination: Environmental Consultant, David J. Powers & Associates, Inc. prepared a Mitigated Negative Declaration (MND). The MND was distributed on May 25, 2016 for a 20-day review period for public comment and closed on June 14, 2016, in accordance with California Environmental Quality Act (CEQA) requirements. San Jose Airport Department, Santa Clara Valley Transportation Authority (VTA), Sudhanshu Jain and California Department of Transportation submitted comments. The responses from the City along with the comment letters are attached. Copies of the Initial Study and MND are available in the Planning Division office at City Hall and online from www.santacalifornia.gov/CEQA. A Mitigation Monitoring and Reporting Program was prepared and is attached with this report.

General Plan and Zoning Conformance: General Plan Discretionary Policy 5.5.1-P13 allows hotel development north of the Caltrain corridor in any land use designation, provided that the property is annexed to the City's Community Facilities Assessment District, or a similar district, and that the use is compatible with planned uses on neighboring properties and consistent with other applicable General Plan policies. The proposal is conditioned to annex into the assessment district and is compatible with the neighboring properties.

The proposed travel-related services and support services such as hotels and retail may be allowed with a use permit per SCCC Sections 18.48.040(a) and 18.48.040(e). Such use permits are generally granted if the proposed use or structure would not be objectionable or detrimental to adjacent properties or to the

industrial area in general by reason of traffic, parking, noise, inappropriate design, or signs. Hotels and retail uses are supportive and appropriate for the industrial area. The attached resolutions specify the findings that the PC must make pursuant to SCCC Section 18.110.040, and they also articulate staff's recommendations for how PC can make the requisite findings.

Fiscal implications of Land Use:

Revenues and expenditures differ between land uses. Santa Clara finances its ongoing costs for public services through the General Fund. General Fund revenue comes from residents, visitors and businesses, predominately through sales taxes and property taxes, with supplemental revenues from transient occupancy taxes and transfers from City enterprise funds. Commercial uses, like hotel and retail development, make a positive impact on the City's revenues, based on transient occupancy and sales tax revenues.

Comprehensive Land Use Plan (CLUP) for San Jose International Airport:

The eastern portion of the project site, including the location of the proposed hotel, is located within the CLUP Outer Safety Zone. The CLUP limits density in the Outer Safety Zone to 300 persons per any one acre for nonresidential uses. Based on information provided by the applicant, the anticipated maximum number of people in the hotel at any given time would be 283 (263 guests and 20 employees) on the 2.4 acre parcel, which is below the density limits established in the CLUP.

Noise Exposure Standards:

Section 1207 of the 2013 California Building Code contains the State Noise Insulation Standards, which specify interior noise standards for new hotels, motels, apartment houses and dwellings other than single-family homes. Such new structures must be designed to reduce interior noise levels attributable to exterior sources to a maximum of 45 dB CNEL in any habitable room. In areas subject to exterior noise levels greater than 60 dB CNEL, these regulations require an acoustical analysis demonstrating that dwelling units have been designed to meet this interior standard. The noise standards are enforced through the City's General Plan policies and the building permit application process.

Circulation and Parking:

The proposal is to provide 328 stalls on surface parking spaces, with three ingress and egress points on Wyatt Drive. The project is conditioned to obtain a zoning administrator modification to the required on-site parking to reduce the on-site hotel parking requirement by 25% while ensuring sufficient and available parking to service the proposed use. The February 8, 2016 Hexagon parking analysis concluded that the hotel will not require more than 0.75 parking spaces per room. The report also noted that the greatest demand for hotel parking occurs at night when the retail spaces can be available as shared parking. The parking analysis concludes that the proposed parking exceeds the demand for the proposed use. On-demand shuttle service to San Jose International Airport and other attractions is proposed. The applicant also noted that the hotel will facilitate ride-sharing services for guests and visitors using third-party services such as Lyft and Uber.

Architecture: The architectural design and sign program approval will be referred to the Architectural Committee. The five single story retail buildings will utilize aluminum storefront system, cmu block walls, and wood siding as the primary materials. Patio dining and landscape is proposed around the buildings. The intent is to provide a pedestrian friendly retail and dining facilities. The design includes covered patios, planting beds, walking paths and an inviting connection between the adjacent office park and proposed hotel. The mid-rise hotel building architecture utilizes a palette of materials, concrete, plaster, steel and metal to break up the mass facing the public right-of-ways. The project provides on-site amenities, such as lounge and dining areas, meeting rooms and outdoor swimming pool. The retail center and hotel are designed in a manner consistent with other commercial development within the area.

Public Contact

Public Notices and Comments: The notice of public hearing for this item was posted within 300 feet of the site and was mailed to property owners within a 300-foot radius of the site.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The proposal is consistent with General Plan policies and zoning ordinance requirements. The proposed use will not be detrimental to the health, safety, peace, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use. Commercial uses, like hotel and retail development, make a positive impact on the City's revenues, based on transient occupancy and sales tax revenues.

RECOMMENDATION:

That the Planning Commission adopt resolutions for the project located at 2041 Mission College Blvd and 1900-2000 Wyatt Drive, subject to conditions of approval, to:

- 1) Adopt the Mitigated Negative Declaration (MND) prepared for this project and the Mitigation Monitoring and Reporting Program (MMRP);
- 3) Approve a Use Permit to allow a 24,000 square foot retail center and 175 room hotel, on the project site.

Documents Related to this Report:

- 1) *Resolution for Adoption of the MND and MMRP*
- 2) *Resolution for Use Permit*
- 3) *Conditions of Approval*
- 4) *Initial Study / Mitigated Negative Declaration (previously distributed)*
- 5) *Mitigation Monitoring and Reporting Program (MMRP)*
- 6) *Response to Comments and Revisions to Text on IS/MND*
- 7) *Correspondence*
- 8) *Development Plans*